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INQUIRE=DOC 10D ITEM NO=00770369 " ENVELOPE CDSN = LGX337MCN = 90136/06646TOR = 901360440PTTSZYUW RUEKJCS4704 1360436-ESSE-RUEALGX. ZNY-60355 HEADER P 160436Z MAY 90 FM JOINT STAFF WASHINGTON DC INFO RUEALGX/SAFE P 151739Z MAY 90 FM DIA WASHINGTON DC//JSI-6A// TO DIACURINTEL RUVESLA/USCINCSPACE PETERSON AFB CO//J2/DIA REP// RUEAUSA/CDRUSASDC WASHINGTON DC AIG 7011 AIG 7046 AIG 7036 BT CONTROLS S E C R E T NOFORN SERIAL: <u>DODID 135-2A</u> BODY SUBJ: CHINA-SYRIA: NUCLEAR COOPERATION. (C/NF) DOI: 15 MAY 90 (AS OF 1143 EDT)

TEXT: 1. -(S/NP) BEIJING AND DAMASCUS REPORTEDLY SIGNED AN AGREEMENT LAST MONTH FOR CHINA TO PROVIDE SYRIA WITH A 3-MEGAWATT REACTOR FOR R&D.

 -(G/NF) WHETHER THE REACTOR WILL BE USED FOR RESEARCH AND TRAINING BY SYRIA'S CENTER FOR SCIENTIFIC RESEARCH OR BY THE COUNTRY'S ATOMIC ENERGY COMMISSION IS UNCLEAR,

- 3. (S/NF) COMMENT: HOW THE PROJECT WILL BE FINANCED IS STILL UNCERTAIN. CONSIDERING SYRIA'S FISCAL CONSTRAINTS AND BEIJING'S DESIRE TO RECEIVE HARD CURRENCY AT THE TIME OF DELIVERY, THE DEAL MAY HAVE SOME PROBLEMS. LAST NOVEMBER CHINA AND PAKISTAN ANNOUNCED AN AGREEMENT UNDER WHICH BEIJING WOULD PROVIDE ISLAMABAD WITH A 300-MEGAWATT NUCLEAR POWER STATION. THAT DEAL NOW SEEMS IN JEOPARDY BECAUSE CHINA IS INSISTING ON HARD CURRENCY.
- 4. (G/NF) EVEN IF A FINANCIAL ARRANGEMENT IS WORKED OUT, SYRIA WILL PROBABLY NOT RECEIVE THE REACTOR FOR AT LEAST A YEAR OR MORE. NONETHELESS, THE REACTOR IS APPARENTLY TOO SMALL TO MAKE WEAPONS MATERIAL EXPEDITIOUSLY.
- 5. (S/NP)- THIS AGREEMENT IS THE LATEST INDICATION THAT RELATIONS BETWEEN BEIJING AND DAMASCUS ARE CONTINUING TO EXPAND, ESPECIALLY REGARDING MILITARY TIES. FOR AT LEAST THE PAST YEAR, BOTH COUNTRIES HAVE REPORTEDLY BEEN DISCUSSING THE POSSIBILITY OF CHINA PROVIDING MISSILES, INCLUDING THE M-9 SSM, TO SYRIA.

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